

NOT FOR PUBLICATION UNTIL RELEASED BY  
THE SENATE ARMED SERVICES COMMITTEE

**STATEMENT OF**  
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**SURGEON GENERAL OF THE NAVY**  
**BEFORE THE**  
**SENATE ARMED SERVICES COMMITTEE**

**SUBJECT:**  
**DEFENSE HEALTH CARE REFORM**

**February 23, 2016**

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Chairman Graham, Ranking Member Gillibrand, distinguished Members of the Committee, thank you for providing me the opportunity to offer some perspectives on military medicine. All of us recognize that this Committee has been a strong and unwavering advocate for the men and women in uniform and we are particularly grateful for your support of the Military Health System (MHS). As you continue your important oversight role and deliberate on potential reforms to Defense health care, I would like to highlight some important considerations which I believe must remain in the forefront of any discussions.

The President's budget for FY2017 contains key TRICARE proposals which are needed to modernize the Department's health care program. I support these reform proposals as they will continue to sustain military readiness, improve beneficiary choice, and improve access as well as help realize cost savings. In addition, these initiatives will simplify TRICARE while encouraging the use of military treatment facilities (MTFs) – vital for medical readiness – and update beneficiary out-of-pocket costs with modest increases. These proposals will strengthen the Military Health System (MHS) and support sustainable health care benefits for all our beneficiaries.

We recognize, however, that the proposed legislative changes must be complemented by internal changes and institutional reform efforts within the MHS that allow us to deliver exceptional, more convenient care to our beneficiaries. We are at a pivotal point. We must aggressively assess the transformative opportunities presented in today's environment to provide value-based care, employ technologies that make good clinical and business sense and eliminate administrative processes that can negatively impact access to care. The MHS leadership is committed to making these necessary internal reforms that will improve beneficiary experience, and more importantly, beneficiary health.

## **Medical Readiness Is Our Mission**

Navy Medicine protects, promotes and restores the health of Sailors and Marines around the world, ashore and afloat, in all warfare domains. We exist to support the operational missions of both the Navy and Marine Corps. These responsibilities require us to be an agile, rapidly deployable, expeditionary medical force capable of meeting the demands of crisis response and global maritime security. The Chief of Naval Operations (CNO) and Commandant of the Marine Corps (CMC) expect Navy Medicine to keep their Sailors and Marines healthy, medically ready to deploy and to deploy with them. They, along with the Combatant Commanders, must always be confident in our capability to deliver world-class care, anytime, anywhere. This obligation to keep our Nation's service members and their families healthy is both a privilege and sacred trust earned over years by providing care at sea, on the battlefield and around the world in our medical centers, hospitals and clinics.

These demands set us apart from civilian medicine – we are truly a mission-ready, fully integrated medical system. This capability allows us to support combat casualty care, working side-by-side with our Army and Air Force colleagues, with unprecedented battlefield survival rates, as evidenced over the last 15 years. Our operational agility also enables us to rapidly meet global health threats as we did in deploying mobile labs and personnel to Liberia that slashed the Ebola virus testing time from days to hours. In addition, our hospital ships, USNS MERCY and COMFORT, are capable of getting underway quickly for combat support or to support humanitarian assistance and disaster response efforts here and around the world, as evidenced by relief efforts in the Gulf Coast following Hurricane Katrina, Indonesia in the aftermath of the tsunami, and in Haiti following the devastating earthquake.

## **Our Military Treatment Facilities Are The Foundation Of Our Readiness**

We must recognize that the direct care system – our CONUS military treatment facilities (MTFs) – are our most important readiness training platforms. These facilities are critical to sustaining the vital skills and clinical competencies for our medical personnel who are saving lives on the battlefield. I cannot overstate the importance of robust clinical experience to having a fully trained and ready medical force capable of sustaining unprecedented survival on the battlefield. From physicians to nurses to corpsmen, our personnel want to deliver health care and need that strong clinical experience to sustain and enhance their skills in preparation for the next deployment. These CONUS MTFs provide important surge capabilities, while our OCONUS facilities support our forces operating forward much like our expeditionary medical capabilities onboard ships.

As a ready medical force, we have a responsibility to ensure we are as ready for the next mission or conflict. The improved battlefield survival rates we realized over the last 15 years of war were the result of highly trained, properly equipped medical personnel from our MTFs who had the capabilities to rapidly implement combat casualty care best practices and lessons learned. These outcomes were achieved and then sustained by the collective hard work by the men and women of military medicine and the critical resources provided to us by Congress. Our challenge remains holding these important gains moving forward.

We are leaning forward to improve the effectiveness and efficiency of our CONUS MTFs to provide that robust clinical experience to preserve skills and competencies by moving more workload in-house, growing our patient enrollment, rebalancing staff and investing in our graduate training programs. This also has a side benefit of reducing overall private sector care expenditures. Our implementation of the Navy CONUS Optimization Plan resulted in the

realignment of personnel, services, and graduate medical education (GME) programs at several of our MTFs to better sustain the operational readiness skills of our provider teams and optimize primary and specialty care services for our patients. I believe the FY2017 budget proposals will enable us to continue these efforts since they incent the use of the direct care system.

Access to care for our beneficiaries is crucial to these efforts. Integrated and comprehensive primary care delivery is an important foundation in achieving cost efficient, accessible, and high quality health care. Nearly all of Navy Medicine's 790,000 MTF enrollees are receiving care in a National Committee for Quality Assurance (NCQA)-accredited Medical Home Port (MHP). These patients have seen an improvement in same-day health care access with their MHP team, augmented by virtual access via e-mail communications with providers and access to a 24/7 Nurse Advise Line (NAL) and telehealth.

As a result of this enhanced access, readiness, health outcomes and patient satisfaction have improved while unnecessary emergency room usage has decreased. We have expanded this by establishing Marine-Centered Medical Homes (MCMHs) and Fleet-Centered Medical Homes (FCMHs) to enhance access and care for our operational forces. These teams also integrate behavioral and psychological health care providers to improve medical readiness. We currently have 23 MCMHs and five FCMHs with efforts under way to expand to additional locations in 2016.

I believe an erosion of our direct care system would have significant adverse consequences on our ability to sustain medical force skills and competencies. This will have direct negative impact on our medical readiness capabilities and also potentially degrade our ability to recruit and retain our medical professionals. We need to recognize that comprehensive beneficiary care in our MTFs is directly linked to skills sustainment of our medical force and, from that, survival

on the battlefield. Our beneficiaries, by agreeing to get their care in our MTFs, are helping to ensure we save lives on the battlefield in the next conflict.

### **Medical Research And Development And Medical Education Are Force Multipliers**

In addition to the direct care system, investments in education and training are critical for meeting our current requirements and ensure that wherever our staff are deployed, they are well prepared. Our GME programs are among the nations' best and our young corpsmen are training with medics and airmen at the top-tier Medical Education Training Campus (METC) in San Antonio.

Cutting-edge R&D and innovative medical education are hallmarks of military medicine and directly enable our readiness mission. Over the years, some of medicine's most important breakthroughs have come from Navy R&D programs and this work continues today in our labs around the world. Ongoing research and development ensures the Navy and Marine Corps force is better protected, operational tempo is more effectively sustained, and, when needed, the rehabilitation of our ill and injured is continuously improved. Along with our MTFs, medical education and research and development are foundational to our system and form an important triad of excellence within Navy Medicine. Collectively, these capabilities are vital for our mission of force health protection.

### **A Rapidly Evolving Health Care Landscape**

We must recognize the transformation currently underway in health care. We are witnessing rapid changes in clinical care brought about by innovations in disease diagnosis and treatment. Advances in areas such as digital imaging, genetics, precision medicine, pharmaceuticals and therapeutics are all having significant impact on the delivery and cost of patient care.

In addition, we know that our patients want convenience and, where possible, use of virtual

technology to support their health care needs. This is the impact of the millennials on health care and it is not unique to the military although we are more impacted by it because of our patient demographics: Based on our most recent available data, 72 percent of enlisted Sailors and 85 percent of enlisted Marines are 30 years old or younger. They and their families are very comfortable with digital technology and expect to incorporate their smart phones and tablets into their daily health care transactions whenever possible. Moving forward, traditional portals of care within our direct care system and the supporting TRICARE networks must be complemented with innovative and interconnected technological approaches to provide virtual outreach and care, including handheld device apps and telehealth.

Our priority must remain the health of the force, their families, and those we serve. This commitment is not volume-based or supply-driven. It's a patient-centered and readiness-focused strategy to help ensure that our service members and their families get the care they need, when they need it, and in the venue most appropriate and convenient to get and keep them healthy. I continue to reinforce this point within Navy Medicine: In order to be the provider of choice for our beneficiaries and provide that strong clinical experience to prepare our staff for the next deployment, we must use every opportunity to enhance patient experience and breakdown any barriers to convenient, patient-centered care. Much is said about the potential burden of our patients in navigating the health care system. We take seriously the trust placed in our hands to provide them the best care possible. A significant part of that is being their advocate in that system. We do that best when they are enrolled to us and we have both the visibility and responsibility for their care in our facilities. We are working hard to improve that care through our collective efforts in building the MHS into a high reliability organization (HRO).

In delivering trusted care to our patients, we must never lose sight that the most important

component of Navy Medicine is our people. We have 63,000 officers, enlisted personnel, government civilians and contractors serving around the world delivering outstanding care and support services to Sailors, Marines, and their families. Our commitment to them is to ensure that they will be well-trained and ready to meet their responsibilities of protecting and preserving the health of those entrusted to their care, at home and deployed.

### **Way Forward**

Our Sailors and Marines know that military service can be professionally rewarding, physically demanding, and potentially dangerous. They and their families expect us to protect their health, prevent injury and disease as best we can, and heal them when they're wounded or injured. Equally important, they want that same support for their families by having access to high quality health care when they are deployed and at home. In addition, our retirees and their families, through service and sacrifice, have earned a health care benefit that is both comprehensive and affordable. A strong and vibrant direct care system allows us to do those things while providing that exceptional clinical experience for our staff, from sickbay to medical center, augmented by vibrant R&D and top quality education and training so that we can ensure we will have done all we can to save lives on the battlefield and return home safely America's sons and daughters.

To this end, I believe that any health reform efforts must maintain the direct care system as the strong epicenter of the MHS. Our MTFs directly support the training, readiness, and sustainment of the men and women of Navy Medicine so they can continue to do what they have done since the founding of our Navy: Save lives when it matters most and provide the best care possible to those who have volunteered to defend our freedom. Any potential TRICARE reforms must contribute to this vital responsibility by leveraging the strength and talents of our

medical forces and our MTFs, helping us embrace the rapid transformation underway in health care and accommodate the changing preferences of our patients and our force in how they seek healthcare. These factors present great opportunities for us as we aggressively implement best practices and scalable solutions throughout the MHS and build upon productive collaborative relationships with leading health system and academic medical centers. We continue to make solid progress but all of us recognize the formidable work ahead. We thank you for your leadership and look forward to working with this Committee in this important work.